



## What To Do? What To Do? The Trials and Tribulations of Opportunity Cost

### Introduction

#### Objective:

Students will think about the decisions that were made in the play, *Charlotte's Web*, and determine the costs of each of those decisions for the characters.

#### Academic Content Standards:

##### ✦ National Standard VII

###### □ Production, Distribution and Consumption

Because people have wants that often exceed the resources available to them, a variety of ways have evolved to answer such questions as: What is to be produced? How is production to be organized? How are goods and services to be distributed? What is the most effective allocation of the factors of production (land, labor, capital, and management)?

##### ✦ Ohio Standard

###### □ Economics

Students use economic reasoning skills and knowledge of major economic concepts, issues and systems in order to make informed choices as producers, consumers, savers, investors, workers and citizens in an interdependent world.

**Benchmark A:** Explain the opportunity costs involved in the allocation of scarce productive resources

*Grade 3 Indicator 1* Define opportunity cost and give an example of the opportunity cost of a personal decision.

### Getting Started

#### Materials:

- Handout A-Graphic Organizer

#### Vocabulary:

- Opportunity Cost
- Choice
- Options

### Lesson

#### Orientation Activity:

The Children's Theatre production of *Charlotte's Web*, began with an important choice that Mr. Arable had to make. He had to decide what to do with the new piglet that was born a runt. In the first box on Handout A, the choice Mr. Arable has to make is written. On the two boxes next to it, ask students to write down what two options Mr. Arable had to choose from when deciding what to do about the runt.

- Option 1 was that he could kill the runt so he wouldn't have to worry about it.
- Option 2 was that he could let his daughter Fern raise the runt and keep it as a pet for awhile.

These two options are considered opportunities for Mr. Arable. Explain to students that before making the decision, Mr. Arable must think about the costs of each decision. He must ponder what he might need to give up or what he will not get when making that decision. Students should write at least three things that might cost Mr. Arable if he chose that particular decision.

For example:

**Decision**

Kill the runt piglet

**Cost**

Fern would be upset

The piglet might grow to be normal size and he missed out on selling it.

His wife might be angry that he didn't let Fern keep the runt.

There are other costs, of course, but students should try to think of what Mr. Arable might have to give up if he chooses to kill the runt. Allow students time to think and share their ideas.

**Learning Activity:**

Next, in groups, have students complete the second part of the graphic organizer by thinking of another decision that had to be made in the play that would have particular costs to the decision maker. For example, Charlotte had to decide whether or not to save Wilbur. Have each group share their decision with the class and explain the opportunity costs involved in making that decision.

Finally, in the last section of the graphic organizer, students should think of a decision that had to be made in their own lives that had at least three opportunity costs. The decision can be economically related or not, but the specific opportunity costs must be clear. The students then must write a few sentences explaining their decision and why they made their decision after taking all of the opportunity costs into consideration.

## **Evaluation and Follow-Up**

**Assessment Tools and Methods:**

The personal opportunity cost decision-making portion of the graphic organizer on Handout A serves as the assessment for each particular student. It should be clear to the reader what the decision is and whether the opportunity costs of the decision are well thought out.

The assessment should include whether or not students have:

- Clearly written their choice
- Written at least two options for the choice
- Written at least three costs for each decision
- Written at least three sentences - One explaining the final decision and two explaining the reasons for the decision taking the opportunity costs into consideration.

**Interdisciplinary Connections:**

**Math:** Students can engage in a shopping activity where they determine the opportunity cost of spending their money.



# Handout A

Name \_\_\_\_\_

Choice - Mr. Arable had to decide what to do about that piglet that was born a runt.

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